

VZCZCXRO9828  
RR RUEHAG RUEHAST RUEHDA RUEHDF RUEHFL RUEHIK RUEHKW RUEHLA RUEHLN  
RUEHLZ RUEHPOD RUEHROV RUEHSR RUEHVK RUEHYG  
DE RUEHVL #0828/01 2810551  
ZNR UUUUU ZZH  
R 070551Z OCT 08  
FM AMEMBASSY VILNIUS  
TO RUEHC/SECSTATE WASHDC 2901  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

UNCLAS SECTION 01 OF 03 VILNIUS 000828

SIPDIS  
AMEMBASSY MINSK SENDS

E.O. 12958: N/A  
TAGS: [PGOV](#) [PREL](#) [PHUM](#) [ECON](#) [ENRG](#) [BO](#)  
SUBJECT: BELARUS WEEKLY POL/ECON REPORT - October 3, 2008

¶1. The following are brief items of interest compiled by Embassy Minsk.

#### TABLE OF CONTENTS

##### Civil Society -----

- Opposition Activist Dismissed from Workplace (para. 2)
- Embattled Protestant Community Offered Land (para. 3)
- Opposition Protests Election Results (para. 4)
- No Opposition Candidates Elected to Parliament (para. 5)
- Opposition Candidate Arrested (para. 6)
- Opposition Youth, Journalist Beaten

##### Domestic Economy -----

- On-the-year Retail Sales up 21.3 Percent Through August (para. 8)
- Belarus Ranks 95 among 141 Countries Rated In Attracting Foreign Investment (para. 9)
- Belarus' Budget Surplus through August: USD 1.5 Billion (para. 10)
- Housing Utilities Bills on the Rise (para. 11)
- Germany a Major Investor (para. 12)

##### Foreign Trade -----

- Government Introduces Export Tariff on Potassium Fertilizers (para. 13)

##### Quote of the Week (para. 14) -----

##### Civil Society -----

#### ¶2. Opposition Activist Dismissed from Workplace

The Slonim Central Hospital Administration dismissed opposition activist Ivan Bedko September 29. Bedko headed election headquarters of a local opposition candidate and monitored elections. He said that the administration unilaterally terminated his labor contract two months ahead of its expiration and a year before his retirement which violated labor laws. Bedko would appeal to court but expressed doubt he would win the case following his multiple complaints about rigging election results in the Slonim district.

#### ¶3. Embattled Protestant Community Offered Land

On September 29, the New Life Church (NLC) refused an offer of a land plot in its response to the Minsk city authorities. NLC Lawyer Sergey Lukanin noted that the offered land plot was four times smaller and would not fit a prayer house to be built as large as they currently occupy. Lukanin stated the community would like to "peacefully" settle their protracted confiscation dispute with the

Minsk authorities in the framework of the ongoing case. The Economic Court upheld forced sale of the NLC building at a minimal price in 2006; however, the case was suspended indefinitely in 2007.

#### 14. Opposition Protests Election Results

Approximately 600-1,000 civil society, youth, and opposition activists demonstrated to protest "rigged" election results and possible recognition of the newly elected parliament by the West in central Minsk the evening of September 28. Heavily present law enforcement forces closely observed but neither interfered nor dispersed the unsanctioned rally. The Interior Ministry stated September 29 that it would file a case of "malicious violation of public order" to the prosecutors' office and hold the perpetrators liable.

#### 15. No Opposition Candidates Elected to Parliament

Central Election Commission Chairwoman Lidiya Yermoshina announced preliminary results of the parliamentary polls on September 29. Over 26 percent of the registered electorate voted early, and the turnout reached 75.3 percent. Thirty MPs were re-elected, and not a single civil society or opposition activist was elected. The OSCE/ODIHR and the OSCE Parliamentary Assembly observation missions deeply criticized the conduct of the elections, noting "minor improvements" but reporting that 48 percent of observers considered the vote count to be "bad" or "very bad".

#### 16. Opposition Candidate Arrested

On September 30, Bobruysk-based opposition hopeful Ales Chigir was summoned to the police and sentenced to 10 days in jail. The police

VILNIUS 00000828 002 OF 003

charged the activist with minor hooliganism based on an administrative case opened May 29. He was then briefly detained for "defying police orders".

#### 17. Opposition Youth, Journalist Beaten

Belarusian Popular Front Youth Wing members Franak Vychorka, Anton Kalinovskiy, and Stepan Sviderskiy were beaten in Minsk after the demonstration on September 28. Three plainclothesmen attacked the activists and destroyed their flags and posters. In a separate incident, chief editor of the independent "Kurier iz Vitebska" newspaper and election observer Vladimir Bazan received minor head injuries on September 28. Bazan reported the incident to the police, who have opened an investigation.

-----  
Domestic Economy  
-----

#### 18. On-the-year Retail Sales up 21.3 Percent Through August

Belarus' Statistics Ministry officials told Prime-TASS news agency on September 26 that on-the-year rise in retail trade in Belarus was 21.3 percent through August. The ratio of food and non-food products was 50:50. 79 percent of products sold were made in Belarus. The shares of Belarusian made food and non-food products in the total volumes of retailed food and non-food products were 85.7 percent and 70 percent respectively. 82 percent of all products were retailed thorough private networks, 14.8 percent were retailed through state-owned stores and only 3.3 percent were sold via foreign-owned retail networks.

#### 19. Belarus Ranks 95 among 141 Countries Rated in Attracting Foreign Investment

According to several news agencies' reports, United Nations Conference on Trade and Development (UNCTAD) published an annual report on September 24 on the world investment. In 2007, Belarus ranked 95th in attracting foreign investment and 45th in investment potential among 141 rated countries. The country made a significant progress in attracting foreign investment, as in 2006 it ranked only

122nd. According to UNCTAD assessment, Belarus had USD 1.8 billion of direct foreign investment in 2007.

#### ¶10. Belarus' Budget Surplus through August: USD 1.5 Billion

According to press reports, Belarus' central budget through August had a surplus of USD 1.5 billion. Budget revenues were 77 percent of the 2008 plan and expenditures were 64 percent of the plan.

#### ¶11. Housing Utilities Bills on the Rise

Belarus' Deputy Housing and Communal Services Minister Nikolai Lipen told Belta news agency September 30 that as soon as the central heating is turned on some time in October, Belarusians will have to pay significantly higher utility bills. Although the Deputy Minister said that the GOB has no immediate plan to increase heating tariffs, an average utility bill will be USD 50 for a studio, USD 70 for one-bedroom and USD 200 for a two-bedroom apartment.

#### ¶12. Germany is a Major Investor

Prime-TASS news agency reported October 1 that Belarusian Deputy Economy Minister Andrei Tur described Germany as the country's major partner in Europe, ranking fourth in Belarus' foreign trade balance.

Speaking at the Days of German Economy in Belarus conference, the Deputy Minister said trade between the two countries grew from USD 1 billion in 2002 to USD 3.5 billion in 2007. Germany invested USD 320 million, of which USD 30 million was direct foreign investment. Speaking at the same conference German Ambassador to Belarus Gebhardt Weiss said his country looks forward to having more trade with Belarus and expects more openness in mutual relations.

-----  
Foreign Trade  
-----

#### ¶13. Government Introduces Export Tariff on Potassium Fertilizers

An anonymous source in Belarus' government told the Prime-TASS news agency September 30 that Presidential Edict 530 signed on September 26 introduced an export tariff on Belarusian-made potassium fertilizers of Euro 200 per ton. In the first seven months of the year, exports of this commodity have grown 255 percent. Belaruskaliy, the largest manufacturer in the CIS, exported a total of 4.2 million tons and earned USD 1.8 billion. The tariff will be effective until the end of the year and may be prolonged if the world prices are sufficiently high. Belaruskaly plans to manufacture a total of 8.3 million tons of fertilizers in 2008.

-----  
Quote of the Week  
-----

VILNIUS 00000828 003 OF 003

#### ¶14. Speaking at the press conference on September 29 and commenting on the results of the parliamentary elections Chairperson of the Central Election Commission Lidia Yermoshina said:

"The rejection of early voting can only be accomplished after a corresponding decision of the U.S. Congress. I believe the stronghold of democracy (the U.S.) should be a role model for us."

MOORE  
CLOUD